

Message Text

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ACTION EUR-25

INFO OCT-01 ISO-00 CIAE-00 PM-07 INR-10 L-03 ACDA-19

NSAE-00 PA-04 RSC-01 PRS-01 SP-03 USIA-15 TRSE-00

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C O N F I D E N T I A L USNATO 3737

E.O. 11652: GDS 80

TAGS: MCAP, NATO

SUBJECT: BURDENSARING

REFS: A. C-R(74)19

B. C-M(74)5

SUMMARY: DEPUTY SYG PANSAS COMMITTEE ON BURDENSARING THROUGH NATO BUDGET MET FOR THE FIRST TIME ON JULY 2 TO HEAR PROGRESS REPORT ON INFRASTRUCTURE AND PIPELINE AND NOT THAT LITTLE HAS BEEN ACCOMPLISHED IN THE LINE OF CIVIL AND MILITARY BUDGETS SINCE THE TIME OF THE COUNCIL MEETING (C-R(74)19) WHICH CHARGED PANSAS WITH RESOLUTION. END SUMMARY.

1. PANSAS HAD CALLED PREVIOUS MEETING OF COMMITTEE FOR JUNE 12, BUT HAD POSTPONED IT BECAUSE OF WORKLOAD CONCERNED WITH MINISTERIALS. HE BELIEVED THAT THERE WAS NOW ENOUGH PROGRESS IN SOME OF THE SUBJECTS TO WARRANT PRESENT MEETING, AND SUGGESTED THAT EACH COMMITTEE CHAIRMAN OUTLINE ACCOMPLISHMENTS IN HIS AREA.

2. ANDERSEN (CIVIL AND MILITARY BUDGET COMMITTEE CHAIRMAN) INDICATED THAT NO ACTION HAD OCCURRED SINCE THE LAST COUNCIL CONFIDENTIAL

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MEETING. THE DOCUMENT SHOWING PROPOSALS FOR REVISED COST SHARING FORMULAE FOR THE CIVIL AND MILITARY BUDGETS WAS C-M(74)5. THOSE FORMULAE HAD NOT BEEN DISCUSSED BY THE COMMITTEES BECAUSE, AS STATED IN THAT DOCUMENT, NO FURTHER PROGRESS COULD BE MADE WIHTOUT

RERM REP GUIDANCE. THIS GUIDANCE HAD NOT BEEN FORTHCOMING, BUT HE HOPED THAT THE PRESENT COMMITTEE WOULD BE ABLE TO RESOLVE THE PROBLEM.

3. ELDON SMITH (CONTROLLER FOR INFRASTRUCTURE) NOTED THAT SOME PROGRESS HAD BEEN MADE IN THE INFRASTRUCTURE FIELD ON BOTH THE SIZE AND COST SHARING OF THE NEXT PROGRAM. THIS PROGRESS HAD BEEN ENDORSED BY THE MINISTERS AT THE DPC MINISTERIAL IN JUNE AND HE WOULD DEFER TO MR. BUWALDA (NETHERLANDS DCM) FOR DETAILS OF THE CURRENT PROPOSALS. BUWALDA OUTLINED THE PROPOSAL WHICH HAD BEEN MADE TO THE US AND TO THE UK, AND INDICATED THAT RESPONSES HAD NOT BEEN ENTIRELY NEGATIVE FROM EITHER NATION, BUT THAT FINAL APPROVAL HAD NOT YET OCCURRED. HE HOPED THAT THE PROPOSAL WOULD LEAD TO AN AGREEMENT WITHIN THE NEXT MONTH OR TWO.

4. COL HOLDEN, CHAIRMAN OF THE CENTRAL EUROPE PIPELINE POLICY COMMITTEE (CEPPC), INDICATED THAT CEPPC WAS COMING TO GRIPS WITH A NEW COST SHARING FORMULA WHICH WOULD GO A LONG WAY TOWARD SATISFYING US AIMS. HE INDICATED, HOWEVER, THAT IT WAS UNLIKELY THAT THE US SHARE OF THE DEFICIT WOULD BE REDUCED TO ZERO. HE ASKED THAT THE PANSAC COMMITTEE ALLOW THE CEPPC TO CONTINUE THEIR STRIDERS AND PROMISED A PROPOSED SOLUTION WITHIN A MONTH OR TWO.

5. BUWALDA NOTED THE HELPFUL ACTIONS IN THE INFRASTRUCTURE AND PIPELINE FIELDS AND HOPED THAT RESOLUTION IN THOSE AREAS WOULD HELP THE US TO WITHDRAW ITS REQUEST FOR A REDUCTION IN ITS MILITARY AND CIVIL BUDGET SHARES. HE BELIEVED FROM HIS POLITICAL CONTACTS WITH OTHER DELEGATIONS THAT THERE WERE SOME MAJOR OBSTACLES TO INCREASE OF CERTAIN NATIONS' SHARES AND THEREFORE THE GAME MIGHT

NOT BE WORTH THE CANDLE. DUNCANN CANADA, SUPPORTED BUWALDA AND SAID THAT THE ORIGINAL EXERCISE HAD BEEN ONE OF BURDENSARING AND QUOTE NOW THAT THE BURDENSARING PROBLEM HAD BEEN RESOLVED UNQUOTE, THERE WAS NO LONGER A NEED FOR REDUCTION IN US BUDGET SHARES.

6. US REP, LOVELAND, INDICATED SURPRISE AT CANADIAN OPINION THAT BURDENSARING HAD BEEN RESOLVED. HE REFERRED TO THE DISCUSSION CONFIDENTIAL

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IN THE COUNCIL (C-R(74)19) WHEREIN IT WAS NOTED THAT THE FIGURES ON EUROPEAN MILITARY PROCUREMENT IN THE US NEEDED REFINEMENT AND COULD VERY WELL BE REDUCED FROM THE OPTIMISTIC FIGURE PRESENTED. LOVELAND WENT ON TO SAY THAT THE PANSAC EXERCISE HAD BEEN UNDERTAKEN AT DE STAERCKE'S SUGGESTION THAT NATO SHOULD NOT REST ON ITS LAURELS BUT RATHER EXPLORE THE NATO BUDGET FIELD FOR A WAY IN WHICH AN OFFERING INVOLVING POLITICAL WILL COULD BE MADE TO THE US IN THE HOPE THAT FUTURE JACKSON-NUNN INITIATIVES COULD BE AVERTED. DU PONT, BELGIUM SUPPORTED LOVELAND AND REMINDED COMMITTEE THAT EIGHT NATIONS HAD INDICATED THEIR WILLINGNESS TO SHARE IN THE US REDUCTION IF OTHERS DID LIKEWISE. HE SAID THAT CORRIDOR DISCUSSIONS HAD INDICATED THAT THE US MIGHT SETTLE FOR SOMETHING LESS THAN THE ONE-THIRD REDUCTION WHICH THEY HAD REQUESTED IN

THEIR SHARES. HE HOPED THEREFORE THAT THE UK AND THE FRG COULD JOIN THE OTHER NATIONS IN RESOLVING THE PROBLEM IN A POSITIVE MANNER.

7. BOTH UK AND FRG MAINTAINED THEIR POSITIONS. UK STATED THAT FOR BUDGETARY REASONS, IT COULD NOT INCREASE ITS SHARE OF NATO'S BUDGETS. FRG INDICATED THAT THE BILATERAL OFFSET HAD BEEN THE LIMIT OF ITS CONTRIBUTION TO BURDENSARING WITH THE SINGLE EXCEPTION OF THE INFRASTRUCTURE PROGRAM. COMMENT: AFTER MEETING, DU PONT SUGGESTED THAT US-FRG CONTACT MIGHT ESTABLISH SOME GIVE IN THE FRG POSITION ON THE BASIS THAT THE ADDITIONAL FRG CONTRIBUTION WOULD BE ADDED TO THE ACCOUNTABILITY IN THE OFFSET AGREEMENT. HE ALSO SAID THAT THE FRENCH DELEGATION HAD INDICATED THAT THEY WOULD EVENTUALLY CONTRIBUTE THEIR SHARE TO SOME REASONABLE RESOLUTION IF ALL OTHERS DID. THUS, IT APPEARED POSSIBLE TO ISOLATE THE UK AND TO CHANGE THEIR POSITION ON THE RELATIVELY SMALL DIFFERENCE RESULTING IN THE UK CONTRIBUTION. END COMMENT.

8. PANSA ENDED MEETING INVITING INFRASTRUCTURE AND CENTRAL EUROPE PIPELINE POLICY COMMITTEES TO CONTINUE THEIR WORK AND REPORT RESULTS. HE HOPED THAT INFORMATION GROUPS WOULD ALSO WORK ON THE BUDGET PROBLEM WHICH MIGHT BE RESOLVED IN A PACKAGE DEAL ALONG WITH FINAL AGREEMENT ON INFRASTRUCTURE AND PIPELINE.
RUMSFELD

CONFIDENTIAL

<< END OF DOCUMENT >>

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